

**TO:** The online content committee  
**FROM:** Walter Isaacson  
**DATE:** March 23, 1994

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This is to update all of us on where things stand. Since this is all a work in progress, please treat this information as confidential and in particular do not discuss any of these things with people outside the company.

### **Strategic options.**

A team composed of Curt Viebranz, Bruce Judson, Linda Rolle and myself are continuing to explore, in consultation with people at each of the magazines and divisions, what options we have for leveraging our resources on a company-wide basis in the online world.

This includes two related issues: what our strategy should be with existing online services such as CompuServe and America Online, and what we should do about creating our own service that could take advantage of potential opportunities on the Internet or next-generation online delivery systems.

With regard to the first issue, the existing online services, we are coming to the conclusion that there may be financial and strategic advantages to making certain deals as a corporate package. This could give us more control over the ownership rights to our material, the navigational tools we may wish to develop, and the licensing fees we receive. Already, AOL has come up with an interesting financial offer, and we are asking them and others to come up with a variety of options.

In my conversations with some of you, there was a concern that such a strategy could disrupt plans that some magazines have for their own online deals or, in Time's case, to continue with a very successful relationship. First of all, we will try to assure that there is a general consensus that any course we pursue makes sense for all of

us; secondly, we will try to make any deals non-exclusive so that they do not preclude any other truly compelling opportunities.

With regard to the related issue of how we pursue the next generation of online services, we are in the process of designeing an umbrella service of our own (codenamed Calliope) that may exist as a site on the internet. This service would include our own content, some content we acquire, and links to other publicly available information and databanks. It would also include navigational tools and interfaces that we design or license.

This strategy allows us to prepare for the different possible ways that the online world may evolve: a few commercial services such as AOL remaining the primary gateways, dozens of commercial services arising as non-exclusive gateways, or the Internet itself becoming a seamless method of accessing most content and services.

## **Content.**

John Papanak of Time- Life, Teymour Boutros- Ghali of Time Inc. Ventures, Andrew Lerner and Thorne Sparkman of Time Warner Books, Bruce Judson and I met this week to start discussing how we could jointly develop content for such a service. I have also talked to those of you at the various magazines about content possibilities in your area.

With regard to any deal with existing commercial services such as AOL, our content and navigational offerings would be restricted by those services's current offerings and technical capabilites. For example, any navigational tools and interfaces we develop may not be workable on a commercial service with 9600 baud access, and it may not make sense to license material such as a stock or sports ticker when providing a package to an exisitng service that already has such material. Primarily we would be providing our editorial content, some additional material, and the management of bulletin boards and discussion groups. We are wrestling with the fact that bulletin boards are not easily interconnected from one service to another. These same

limitations would apply if we put all of our material on our own server and allowed the existing commercial services to provide a gateway to it. Nevertheless, we see some editorial advantages in providing all of Time Inc.'s material together and creating new ways to package it that are suitable for the online environment.